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SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 08/03/09

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ARTICLES:

- (1) Selection of next U.S. ambassador

TOKYO SHIMBUN (Page 2) (Full)
Evening, August 1, 2009

Taro Kimura, journalist

U.S. Senate Foreign Relations Committee Chairman John Kerry said at

a committee session on July 23: "Today, Japan is probably experiencing political turbulence and change. However, there is no change in our determination to ensure Japan's security..."

If DPJ wins general election

On July 23, the confirmation hearing on the nomination of John Roos as U.S. ambassador to Japan was held. In the wake of Chairman Kerry's remarks at the outset of the session, the U.S. Congressmen's interest was focused on the outcome of Japan's House of Representatives election, as well as how Japan-U.S. relations will turn out if the election brings about a change in government.

Following Kerry's remarks, Roos announced his determination to become ambassador to Japan. At the confirmation hearing, Senator James Inhofe (Republican, Oklahoma) posed this question to Roos:

"In Japan, the Democratic Party of Japan (DPJ) reportedly will likely make great strides in the Lower House election, defeating the Liberal Democratic Party (LDP), which has controlled Japan's politics for a long time. The DPJ has reportedly criticized the LDP for bowing to U.S. demands. In a recent report, as well, a DPJ leader reportedly stated that the DPJ wants to build independent and fair bilateral relations while distancing itself from the U.S. How do you think U.S.-Japan relations will turn out if the DPJ wins the race?"

Roos responded to the question:

"I'm trying not to predict the outcome of the election. However, I

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believe that there is deep understanding in U.S.-Japan relations regardless of political parties. Therefore, I don't think there will be any fundamental change in the bilateral relations. I think the remarks of the DPJ leader in question have recently changed to a more appropriate direction."

In reference to Inhofe's question, Senator Jim Webb (Democrat, Virginia) asked this question:

"It seems that a wave of reforms of government organizations and political parties has arrived in Japan for the first time. What kind of political dynamics do you think will be brought about by such reforms?"

Roos and Webb exchanged the following dialogue:

Roos: "Since Japan's politics after the election will be decided based on the framework of a coalition government, I will probably report on it after Aug. 30."

Webb: "I understand why you hesitate to predict the election, but I am concerned about what will really happen in Japan."

Roos: "As you know, the LDP gives top priority to the U.S.-Japan alliance relationship. Although the DPJ has taken a 'cool' stance toward Japan's support for U.S. Forces Japan and its refueling mission in the Indian Ocean; according to briefing by the State Department, I believe that the DPJ will maintain the strong alliance relationship in the end."

DPJ should send policy index to Washington

In addition to the above questions, Roos was asked only one more question. It was a question posed by Webb about Japan's economic recovery. This situation contrasts sharply with that of Ambassador-designate to China Jon Huntsman, to whom a variety of questions were posed.

Four days after the confirmation hearing, the DPJ issued a policy index featuring the building of close and equal Japan-U.S. relations. If the party has prepared an English version, the party should send a copy of it to Washington.

(2) Editorial: LDP Manifesto - Interception of missiles targeting the U.S. commendable

The Liberal Democratic Party (LDP) is emphasizing the "ability to take responsibility to defend Japan" in its manifesto (campaign pledges) for the House of Representatives election.

One of the main points is to "take the necessary security measures" to enable the interception of ballistic missiles fired by North Korea targeting the United States. In addition, Japan will also protect U.S. ships cooperating for missile defense (MD).

Both measures have so far been banned on the ground that they constitute the exercise of the right of collective self-defense prohibited under the Constitution. While the words, "right of collective self-defense," have not been used, we commend the proposal to change the constitutional interpretation.

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The declaration of the intent to reinforce the Japan-U.S. security arrangements and continue participation in the war against terrorism is a matter of course for a ruling party. On the other hand, the Democratic Party of Japan (DPJ) says it will terminate the refueling mission of the Maritime Self-Defense Force in the Indian Ocean next January. We would like to see a debate on what is necessary to maintain national interest.

It is also characteristic of the LDP to propose an independent process of formulating the Constitution. It upholds the political neutrality of teachers and disapproves of bringing the ideological struggle of the labor unions into the schools.

It is necessary for the LDP to firmly establish policies linked to the party's spirit at the time of its founding in 1995 and show the people its basic vision for the future of the country.

In terms of restoration of fiscal health, the LDP presents a goal of achieving primary balance in national and local government finances in the next 10 years, demonstrating its difference with the DPJ, which lacks a plan on this issue.

With regard to drastic tax reforms, including the consumption tax, the LDP reiterates its standing policy of completing the necessary legislative measures (for a consumption tax hike) by FY2011 and implementing the increase after economic recovery. We would like to hear the DPJ's argument on this. The DPJ is saying that the consumption tax will not be increased in the next four years.

There are areas where the two parties compete for popularity with their policies, such as the LDP's proposal to make pre-school education free and the DPJ's plan to pay out child allowance. The ability to take responsibility also means not indulging in excessive populism and striking a balance between policy cost and effect.

What the LDP needs to present is a concrete picture of what it wants to make of Japan. It has been appealing to the people that it has better governing ability than the DPJ in such areas as foreign and security policy and fiscal restructuring. It will not be constructive if it stops at criticizing the DPJ.

Prime Minister Taro Aso, who wants to continue to lead the country, should talk more about his determination and preparedness to do so and about a blueprint for this country.

(3) Comparison of foreign, security policies: DPJ for equal Japan-U.S. relationship; LDP for reinforcing the alliance

Takahiro Hirata

The Liberal Democratic Party (LDP) stands for reinforcing the Japan-U.S. alliance while the Democratic Party of Japan (DPJ) wants

an equal Japan-U.S. relationship. The difference between the two parties in their postures toward the United States has become clear from their manifestos (campaign pledges). However, the DPJ has softened its longstanding position on certain issues, such as the revision of the Japan-U.S. Status of Forces Agreement (SOFA), and shifted to a "pragmatic line." Therefore, it is unclear what will be

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different after a change of administration. The path to a solution to the serious problem facing Japan of North Korea's development of nuclear arms and missiles is undefined, and the debate on foreign and security policies tends to be overshadowed by domestic policies, such as support for child rearing.

Meaning of "self-reliance" vague

At his interview with Mainichi Shimbun on July 31, DPJ President Yukio Hatoyama explained what he meant by an "equal Japan-U.S. relationship": "We, the DPJ, attach the greatest importance to the Japan-U.S. alliance. Based on this premise, it is necessary to break away from the politics of relying on the U.S. and establish a foreign policy that encourages Japan to become more independent."

The party's manifesto calls for "developing an independent diplomatic strategy and fulfilling Japan's responsibility positively by engaging in division of labor with the U.S." However, the goal of such "self-reliance" and "independence" remains vague.

"Ambiguity" tends to characterize the DPJ's foreign and security policies. This is because it is unable to form a consensus among diversified opinions in the party, with its members ranging from people like Vice President Seiji Maehara, who values the Japan-U.S. alliance, to groups of former Japan Socialist Party members who oppose overseas missions by the Self-Defense Forces (SDF). Consequently, while the party is unanimous in its opposition to the policies of the government and the ruling parties, it has failed to come up with any concrete alternative proposals.

What will be different if the DPJ achieves a change of government after the upcoming Lower House election? The revision of SOFA, for instance, to enable the handover of custody of U.S. Forces Japan (USFJ) personnel suspected of vicious crimes basically before indictment - an important policy that the Social Democratic Party (SDP) and the People's New Party (PNP) agree with - has been toned down to "suggesting the revision of SOFA" in the manifesto in light of "concerns" expressed by the U.S. side. The DPJ will now only "work in the direction of reviewing" USFJ realignment plans; it has not touched on the relocation of Futenma Air Station (in Ginowan City, Okinawa) within Okinawa, a plan it has opposed so far.

The main purpose of the Japan-U.S. agreement on USFJ realignment is not the reduction of the burden on Okinawa in the first place. The two governments have decided on a strategic policy of extending the purpose of the Japan-U.S. security arrangements beyond "security of Japan" and "peace and stability of Asia and the Pacific" to include "improvement of the international security environment" and of reinforcing cooperation and division of labor between the two countries. The essence of this policy is the "expansion of cooperation under the alliance" with the U.S. forces and the SDF collaborating responsively on a global scale. The DPJ's position on this is not clear.

Will the DPJ be able to make a decision if asked by the U.S. to dispatch more SDF troops overseas? The division of labor with the U.S. in its manifesto can also be interpreted to be similar to the reinforcement of the division of labor between the U.S. forces and the SDF. The DPJ has so far asserted that participation in UN military action is possible and it is conceivable that it may decide to dispatch the SDF on condition of a UN Security Council resolution.

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Meanwhile, in addition to the non-supporters of SDF overseas

missions in the party, the SDP is also opposed to them. If the DPJ forms a coalition with the SDP, building a consensus is likely to be difficult.

Foreign and security policies could have been one area for the DPJ to highlight its emphasis on "Asian diplomacy" and "nuclear disarmament," and demonstrate its difference from the LDP administration - for instance, by including in the manifesto the Northeast Asia denuclearization initiative that Hatoyama had once advocated strongly. The fact that this has not been included in the party's "five promises," its main policies, reflects the DPJ's inability to present a clear picture of an "equal Japan-U.S. relationship."

Ideology gone, confirmation of status quo

The LDP declares it will continue the course it has set down as a ruling party on the "reinforcement of the Japan-U.S. security arrangements and steady implementation of USFJ realignment," underscoring its "ability to take responsibility." It has the advantage of being able to cite its achievements as a ruling party, such as "cooperation in antiterrorism" and "promotion of ballistic missile defense." It is incomparably superior to the DPJ in terms of clarity.

The party further pledges to "take the necessary security measures" to enable the "interception of ballistic missiles targeting the U.S." and "protection of U.S. ships engaged in cooperation on missile defense." It indicates its intent to go ahead with changing the constitutional interpretation of the right of collective self-defense, an issue that has been considered since the Abe cabinet, and has come out clearly for strengthening the Japan-U.S. alliance to counter North Korea's development of nuclear arms and missiles.

The LDP manifesto says that the formulation of the "National Defense Program Guidelines (NDPG)" toward the end of 2009 will follow the recommendation made by the defense policy subcommittee of the party's National Defense Division. The SDF does not possess missiles or the capability required for attacking enemy bases because Japan embraces a policy of exclusive defense. The recommendation calls for the question of possessing the capability to attack the base of an enemy intending to attack Japan with missiles to be studied. This is opposed even by some party members as well as New Komeito.

SDF overseas missions other than for peacekeeping operations under a UN resolution or disaster relief, including the refueling mission in the Indian Ocean and reconstruction aid in Iraq, have so far been authorized by special measure laws (with a limited term). The manifesto calls for legislating a permanent "basic law on international cooperation."

The LDP has come up with a clear policy of reinforcing the bilateral alliance. However, former President George Bush's war on Iraq has resulted in divisions in the international community in the war against the threat of terrorism. As the world is becoming increasingly multipolar with the rise of China and other newly emerging economies, is there not a need for an ideology in foreign policy beyond the Japan-U.S. relationship? The concept of an "arc of freedom and prosperity" proposed by Aso when he was foreign minister

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is a proposal to link an area from Southeast Asia to Central Asia, extending to the former East European countries through democracy and other universal values. It has once been criticized as an "encirclement of China." This was written into the manifesto published for the 2007 House of Councillors election.

Aso's ideology in foreign policy is now absent from the new manifesto. The passage used now is "the nation can only be defended with realistic policies, not with ambiguous ideals." In this sense, military cooperation with the U.S. stands out, and a picture of the future of East Asia, including relations with China, is absent. The LDP's policy is a mere "confirmation of the status quo."

(4) "Seiron" column: Mistakes not allowed in foreign and defense

policies

SANKEI (Page 7) (Full)
August 3, 2009

Satoshi Morimoto, professor at Takushoku University Graduate School

Future generations to suffer consequences, bear responsibility

A new administration will be born in September after a hot electoral battle is fought. There is a strong possibility that this election will mark an important turning point in deciding the future direction of Japan's politics, society, and people's lives. The people feel an acute need to break away from old politics and systems in public finance, employment, education, medical services, nursing care, pensions, agricultural administration, decentralization of power, and so forth. Their attention is focused mostly on issues directly affecting their daily lives, and they feel that their lives will not become any better with the old ways. Therefore, they have pinned great hopes on the Democratic Party of Japan (DPJ).

However, what is more important for this country and its people is foreign policy, defense, and security. The people's prosperity and growth is impossible without securing the peace and stability of the country. Such is the historical truth, whether or not the people are paying any attention. Regardless of what form of administration is created after the election and what policies are implemented, a government not capable of maintaining the peace and stability of the country has no business taking the reins of government. Therefore, we hope that all parties will go into the election campaign presenting their policies on foreign relations, security, defense, and crisis management in as concrete terms as possible. Unlike economic policy, major mistakes are not allowed in foreign, defense, and security policies because future generations will suffer the consequences and will have to bear the responsibility.

Stop defense budget cuts

The international situation, including the situation in East Asia, is becoming increasingly difficult. Regardless of the composition of the next administration, it will have to respond to changes in the situation adeptly in the pursuit of national interest. From this standpoint, I would like to discuss my expectations of the new administration.

First, on policy toward North Korea. The DPRK will continue its provocation. It will proceed with the development of nuclear arms

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and missiles, posing a growing threat to Japan. However, it will not return to the Six-Party Talks. On the other hand, even if the health of the North Korean leader deteriorates at an unexpected rate, it is uncertain whether the next leader will be capable of governing the country.

If the new leader fails, we will have to anticipate the disintegration of the North Korean society and chaos on the Korean peninsula. In such a case, the Japan-U.S. alliance relationship needs to be solid, and thorough crisis management policies will become an urgent issue. Under certain circumstances, a national salvation cabinet may have to be formed to pool the wisdom to overcome the crisis.

Second, the Japan-U.S. alliance. While U.S. Forces Japan (USFJ) realignment may be important for making the alliance an "equal relationship of mutual trust," as the DPJ advocates, what is more important is to come up with concrete programs for cooperation in broad areas, such as international cooperation on a global scale to build a more constructive alliance relationship for the future and a framework for redefining the alliance as the 50th anniversary of the revision of the Japan-U.S. security treaty approaches.

It would be desirable for Japan and the U.S. to agree on such a cooperation program at the Japan-U.S. summit scheduled for this fall. While it is fine to suggest the revision of the Status of

Forces Agreement (SOFA), this is not a one-way process. Furthermore, full consideration needs to be given to how such a suggestion will impact the alliance relationship as a whole.

Third, defense spending. Japan's defense budget has been reduced for seven consecutive years since FY2003 as a result of the Koizumi fiscal restructuring. However, the objective situation in Northeast Asia does not allow such cutbacks in defense allocations. Any further reductions will be a fundamental issue bearing on the very survival of the nation. The consequences of this will be borne by the country and its people in the future. The decline in defense spending should be stopped and an annual increase of at least 1 percent should be implemented in the future if possible.

Place importance on the pursuit of national interest

Fourth, international cooperation. At present, Japan has dispatched the SDF to the Indian Ocean for antiterrorism operations and to waters off Somalia for an anti-piracy mission. The DPJ has opposed both initiatives in the Diet deliberations, but it needs to realize that they are greatly appreciated by the international community. They not only constitute Japan's important contribution in terms of international cooperation but are also important for the pursuit of Japan's national interest.

Furthermore, there are many more areas where Japan and the U.S. can cooperate in making international contributions, including nuclear disarmament, poverty reduction, African development, and UN reform.

Fifth, policy on China. There is no need to stress only the threat of China. However, China is eyeing hegemony in Asia and has embarked on military buildup and naval deployment to prevent Japan from making inroads overseas. China has to be dealt with under a double-track policy of cooperation and hedging. For this purpose, the Japan-U.S. alliance has to be solid. While it is important to assert Japan's position to the U.S., taking action that undermines

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the credibility of the alliance is not "independent diplomacy."

In short, the new administration should promote a pragmatic approach in pursuit of national interest by implementing policies that were not possible under the old political setup. If the DPJ is able to play a leading role for Japan's interest and for Asia and the international community as a whole without being bound by the statements made by previous administrations to the Diet, then it will be able to produce constructive results at this turning point in postwar politics.

(5) Editorial: 2009 Lower House election; Raising questions about LDP policies; Course of action to achieve goals unclear

NIKKEI (Page 2) (Full)
August 1, 2009

With the Liberal Democratic Party's (LDP) announcement on July 31 of its manifesto (campaign pledges) for the upcoming House of Representatives election, all political parties have now put forward their priority policies for the election. The LDP has played up its presence as the "party of responsibility" by presenting numerical targets of economic growth and fiscal health. But the concrete course of action to achieve those targets remains unclear and the resolve to continue the reform drive also appears vague.

The LDP manifesto lists 68 priority items centering on three principles: security, vitality, and responsibility. The number is far fewer than the 120 items listed for the 2005 Lower House election.

Stance of aiming for economic growth

In its manifesto, the LDP vows to: (1) achieve an annual 2 percent economic growth rate in the second half of fiscal 2010, (1) secure about 2 million jobs by creating demand worth 40 trillion yen to 60 trillion yen in the next three years, and (3) increase the nation's per capita income to the highest in the world in 10 years' time by

boosting the disposal income of each household by an average 1 million yen.

The party's eagerness to revitalize the economy is clear, but when it comes to its means to achieve those goals, the expressions used in the manifesto are all too abstract, such as "leading the world with the low-carbon revolution," "taking in BRICs and Asian countries," and "participation in the job market by women and elderly people."

The party also aims to restore fiscal health in line with the basic economic and fiscal policy guidelines for fiscal 2009, adopted recently by the government. The party also eyes to stabilize the ratio of the outstanding debt of the central and local governments to GDP in the mid-2010 and to lower it in the early 2020 in a stable manner.

The party now eyes achieving a surplus in the primary balance in 10 years' time, retracting its earlier plan to do so in fiscal 2011. Although the need to trim wasteful administrative spending is specified, concrete steps to achieve that goal are not spelled out.

The party has put off its targets in other areas as well. For instance, the manifesto says about the drastic reform of the tax

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system, including the consumption tax, the party will "take necessary legal steps by fiscal 2011 and carry (the tax reform) without delay after the economy recovers." In the previous Lower House election, the party pledged to carry out (tax reform) by fiscal 2007.

A review of the social security system also seemed deadlocked. A bill to unify the employees' pension program and the mutual aid pension program for national civil servants and others into one program went down the drain in the previous Diet session. The LDP platform for the next election pledges the early establishment of a supra-partisan consultative organ. We hope the LDP will conduct productive talks with the DPJ and other parties based on the bitter lessons learned from the 2005 joint committee of the upper and lower chambers.

The LDP also vows to establish a basic doshu (regional bloc) law to introduce the system in six to eight years of the law's enactment, going a step further than the previous stance. But as seen in cautious views in the party, there are high barriers to the introduction of the doshu system.

While economic stimulus measures are prioritized, the structural reform drive to revitalize the economy is likely to suffer a setback. The manifesto simply says about the privatization of the postal businesses that (the government) will "study a policy to secure services that combine three companies based on the four independent companies." Heavy attention to calls in and outside the party for a review of the postal program is apparently blurring the privatization direction.

While revealing a plan to "reexamine the modalities of a variety of regulations to indirectly support evolving economic activities," the party emphasized its stance of striking a balance between regulatory reform and consumer administration.

The LDP and the DPJ have something in common in that their manifestos both contain many pork-barrel measures.

To provide a sense of security, the LDP also pledges to introduce free education for preschool children aged between three and five in three years in stages starting in the next fiscal year. Also included in the LDP manifesto is a plan to establish a scholarship system for high school and college students without obligation to repay.

Going against streamlining of investments

The LDP has also presented a policy of frontloading the social capital development program to actively take fiscal action for the

next three years. The manifesto specifies to "actively build roads that are indispensable for regional livelihoods," which runs counter to the principle of streamlining public works projects. The construction of Shinkansen bullet train lines is also specified.

Livelihood support and public investments must be determined based on their effectiveness. Unrestrained fiscal spending would result in further fiscal deterioration and might increase the sense of distrust in the Japanese economy. The manifesto stopped short of showing a clear direction for drastic agricultural reform to increase the rate of food self-sufficiency to 50 percent.

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An emphasis is placed on foreign and security politicizes to make a clear distinction from the DPJ. The fact that the manifesto touches on measures allowing (the SDF) to intercept a ballistic missile heading for the United States and to defend U.S. warship jointly engaged in (missile defense) deserves a positive assessment. But with the priority policies containing many long-term goals, questions remain about their feasibility.

The National Congress on 21st Century Japan (21st century ad hoc committee) is calling for a party-head debate between the LDP and DPJ presidents. We hope for their earnest efforts for an early realization of the event.

(6) Poll: Aso cabinet, political parties

ASAHI (Page 2) (Full)
August 3, 2009

Questions & Answers

(Figures shown in percentage, rounded off. Figures in parentheses denote the results of the previous surveys conducted July 4-5, July 18-19, and Aug. 1-2. Left column for July 4-5, middle for July 18-19, right for Aug. 1-2.)

Q: Do you support the Aso cabinet?

Yes 20 17 18
No 68 69 63

Q: Which political party do you support now?

Liberal Democratic Party (LDP) 24 20 24
Democratic Party of Japan (DPJ or Minshuto) 25 31 26
New Komeito (NK) 3 3 4
Japanese Communist Party (JCP) 2 2 2
Social Democratic Party (SDP or Shaminto) 1 1 1
People's New Party (PNP or Kokumin Shinto) 0 0 0
Reform Club (RC or Kaikaku Kurabu) 0 0 0
New Party Nippon (NPN or Shinto Nippon) 0 0 0
Other political parties 0 0 0
None 39 35 30
No answer (N/A) + don't know (D/K) 6 8 13

Q: To what extent are you interested in the upcoming general election for the House of Representatives? (One choice only)

Very interested 38 43 49
Somewhat interested 36 38 35
Not very interested 20 13 11
Not interested at all 6 5 4

Q: If you were to vote now in the general election, which political party would you vote for in your proportional representation bloc?

LDP 22 19 22
DPJ 37 42 39
NK 4 4 5
JCP 4 4 3
SDP 1 1 1
PNP 0 1 0
RC 0 0 0
NPN 0 0 0

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Other political parties 1 1 1
N/A+D/K 31 28 29

Q: Which political party's candidate would you like to vote for in your single-seat constituency?

LDP 22 20 22
DPJ 32 37 37
NK 2 3 2
JCP 2 2 2
SDP 1 1 1
PNP 0 0 0
RC 0 0 0
NPN 0 0 0
Other political parties 0 0 0
Independent candidate 2 0 1
N/A+D/K 39 37 35

Q: Would you like the current LDP-led coalition government to continue, or would you otherwise like it to be replaced with a DPJ-led coalition government?

LDP-led coalition 24 22 24
DPJ-led coalition 47 49 46

Q: Who do you think is more appropriate for prime minister, Prime Minister Aso or DPJ President Hatoyama?

Mr. Aso 22 21 20
Mr. Hatoyama 42 42 40

Q: When you choose a political party or a candidate to vote for in the upcoming general election, to what extent are you thinking of attaching importance to choosing them for the reins of government? (One choice only)

Thinking very much 37
Thinking somewhat 46
Not thinking very much 13
Not thinking at all 4

Q: To what extent do you think the LDP is competent to run the government? (One choice only)

Very competent 6
Somewhat competent 41
Not very competent 41
Not competent at all 11

Q: To what extent do you think the DPJ is competent to run the government? (One choice only)

Very competent 4
Somewhat competent 50
Not very competent 36
Not competent at all 5

Q: Do you have expectations for the LDP or the DPJ on economic policy measures?

DPJ 13
DPJ 47

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Q: Do you have expectations for the LDP or the DPJ on state fiscal deficit turnaround measures?

DPJ 28
DPJ 46

Q: Do you have expectations for the LDP or the DPJ on foreign

relations and defense issues?

DPJ 49

DPJ 27

Q: Would you like other political parties to gain more seats in the upcoming election?

Yes 54

38

Polling methodology: The survey was conducted Aug. 1-2 over the telephone on a computer-aided random digit dialing (RDD) basis. Respondents were chosen from among the nation's voting population on a three-stage random-sampling basis. Households with one or more eligible voters totaled 1,760. Valid answers were obtained from 1,037 persons (59%).

(7) Manifestos: LDP, DPJ vying with cash handouts to individuals

MAINICHI (Page 3) (Full)

August 1, 2009

The manifestos for the August 30 Lower House election of both the Liberal Democratic Party (LDP) and the Democratic Party of Japan (DPJ) were released as of July 31. While the DPJ is making a public appeal on the policy of directly handing out cash to voters in the form of assisting their child-rearing or agriculture, the LDP, which claims to have the ability to take responsibility, has included in its manifesto a policy of making education fees for pre-school children free as if inspired by the DPJ. The two major political parties are thus increasingly bringing in pork-barrel largesse.

Trying to appeal to non-affiliated voters with industrial organizations losing vote-gathering power

The DPJ is aiming to take the reins of government, by forcing the ruling parties into the minority. The manifesto is characterized by a policy of directly handing out budgetary funds not to industrial circles but to individuals.

The DPJ has boosted child allowance, a benefit also proposed in the 2005 Lower House election, by 10,000 yen to 26,000 yen (312,000 yen) a year. It will be handed out until recipients graduate from a middle school. Regarding farm households, the manifesto mentions the establishment of a system of providing income support to households engaged in agriculture, forestry and fisheries. Also included is a pledge to make public high school education fees practically free. Highways tolls will also be made free. The LDP has also incorporated measures to assist individuals in the form of being inspired by the DPJ, which is aiming to reduce national burden, using every means. For instance, the LDP pledges to make child education fees for children aged between three and five free in three years' time and set up a cash handout-type grant system. The LDP substantively

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lowered highway tolls this spring.

One factor that has enabled the LDP to maintain the administration, except for a certain period of time, is that it has solidified its support base, by carrying out public works or handing out subsidies as sought by construction, agricultural and medical organizations.

However, since the Junichiro Koizumi administration implemented a spending cut policy of slashing public works, raising the banner of structural reforms, the vote-collecting power of industrial organizations, the LDP's support base, has become weak.

Declaring that he will destroy the LDP, Koizumi directed the so-called Koizumi theater, in which he indicated a stance of confronting Diet policy cliques (forces of resistance) and succeeded in securing support from non-affiliated voters. However, the strain of the reform, such as social disparities and uncertainties about life, has cropped up as a problem.

The vote-collecting power of the LDP's support organizations remains

weak. As such, the LDP is beginning to focus on a strategy of trying to win non-affiliated voters' favor with specific assistance measures, instead of projecting its political vision, like the DPJ.

As it is simple to understand direct assistance to individuals, it can easily strike their chord. Chief economist Hideo Kumano at the Daiichi Life Research Institute questioned the effects of such a policy, noting: "Policies that will prompt the expansion of corporate income and the improvement of productivity and increase income through the distribution of labor are necessary to constantly expand the disposal income of households. In a policy of directly handing out benefits, part of such benefits will be diverted for savings or debt payments. Their effects of stimulating consumption or turning around the economy will be limited."

ZUMWALT